



Developing the business case

Generating trading ideas



- Catering
- Grounds maintenance
- Highways
- Cleansing
- Support services

Just because you can doesn't mean you should



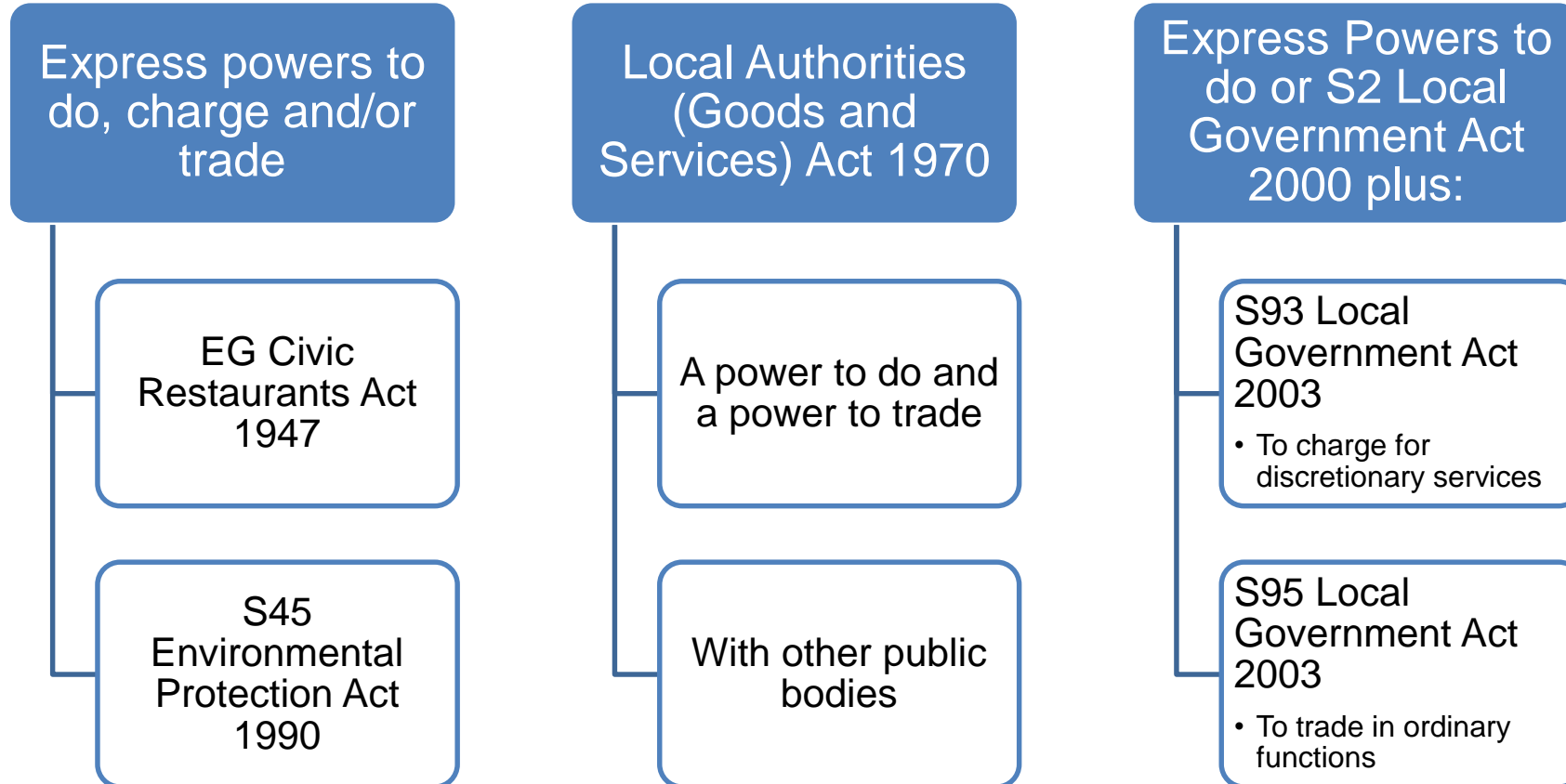
- A balanced business case
- Five case model
 - Strategic
 - Legal
 - Commercial
 - Financial
 - Operational/technical

Making the strategic case



- Wider council context
- Duty of Best Value
- Democratic commitment

Legal basis for trading – vires





Some common legal issues

- Use of surpluses generated under specific powers to do and trade
 - North Dorset public interest report on off-street parking charges
- When we need a company and when we don't
 - Who are you trading with?
 - Are you doing it for a commercial purpose?
 - What sort of company?
- Surplus capacity myths
 - www.apse.org.uk YPO case



Commercial issues

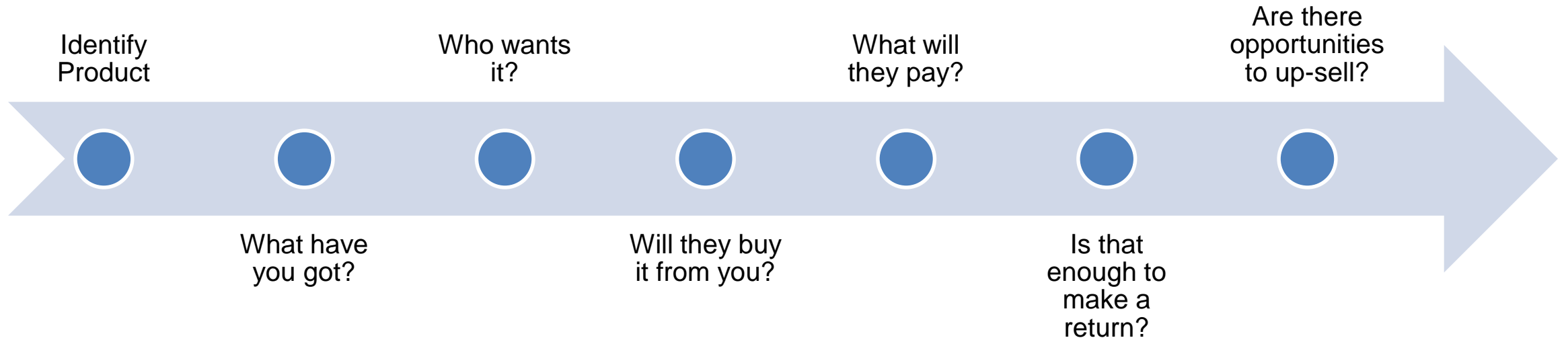
- The nature of the market
 - Size
 - Sector
 - Spread
 - Direction of travel
- Current share
- Projected future share
- Risks and liabilities



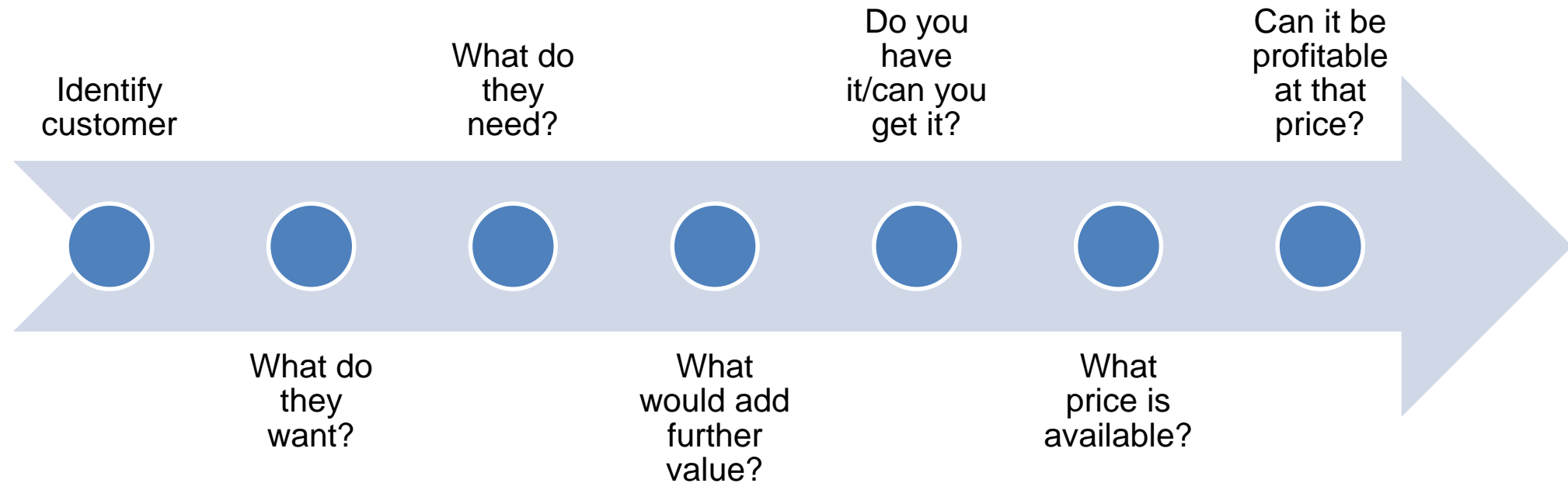
So how do you do it?

- Sell something that somebody wants to buy
 - Market size/market share
- At a price that provides a return on expenditure
 - What cost?
 - What price?
- On a sustainable basis
 - Returning customers
 - New customers/products

Product focus



Or customer focus



Either way it is always the customer that determines whether you have a business

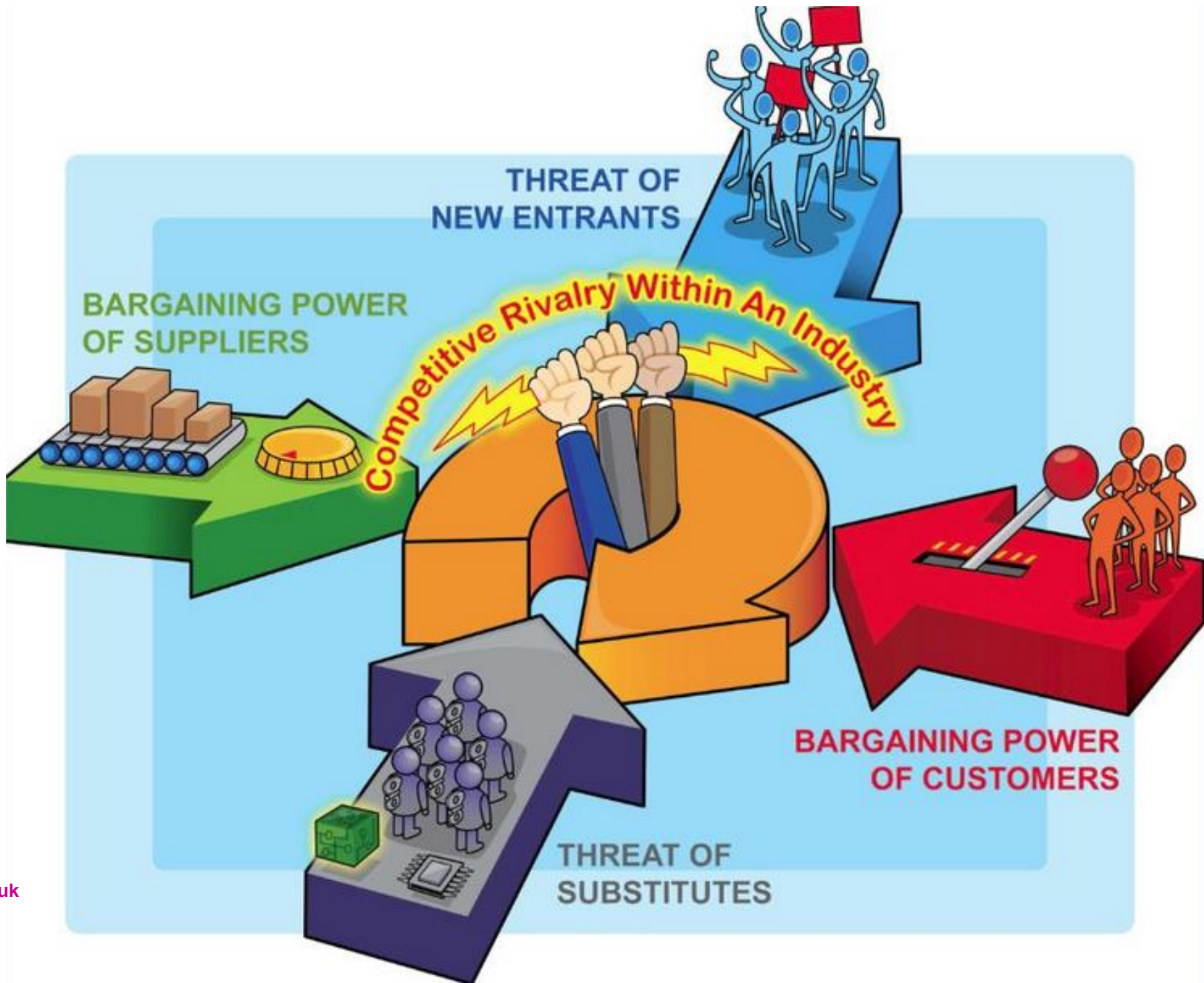


- Building a compelling offer
 - What does this mean?
- Imitate existing successful products
 - Traditional approach
 - Head to head competition
 - Probably starts with the product
- Attempt to create a new offer
 - Blue Ocean Strategy
 - Creating uncontested market space
 - Always starts with the customer

Resources and competitive advantage: Do you have a USP?



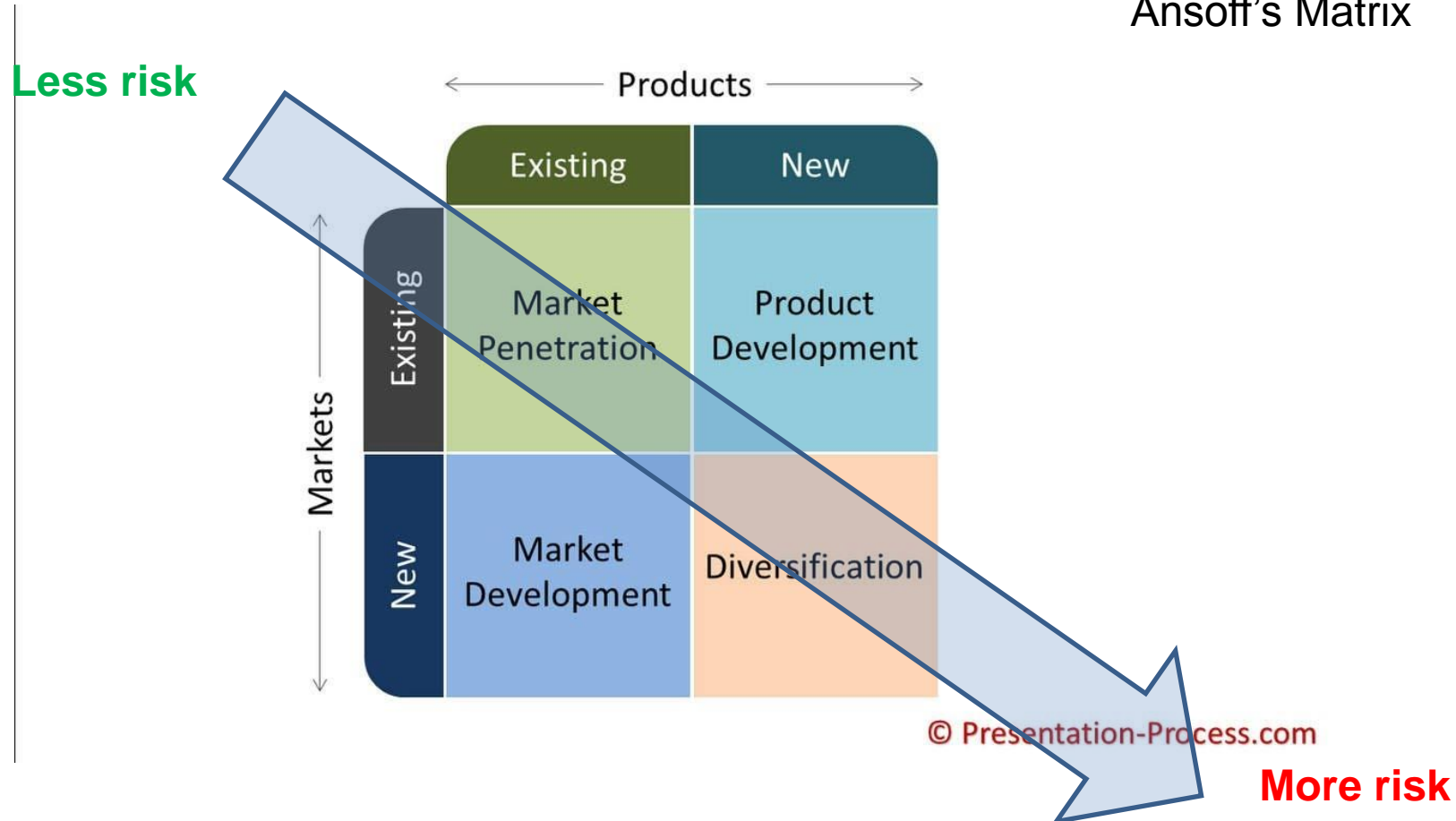
SUMMARY OF THE VRIO MODEL				
IS IT VALUABLE?	IS IT RARE?	IS IT HARD TO IMITATE?	IS THE FIRM ORGANIZED AROUND IT?	WHAT IS THE RESULT?
NO				COMPETITIVE DISADVANTAGE
YES	NO			COMPETITIVE EQUALITY
YES	YES	NO		SHORT-TERM COMPETITIVE ADVANTAGE
YES	YES	YES	NO	UNUSED COMPETITIVE ADVANTAGE
YES	YES	YES	YES	LONG-TERM COMPETITIVE ADVANTAGE



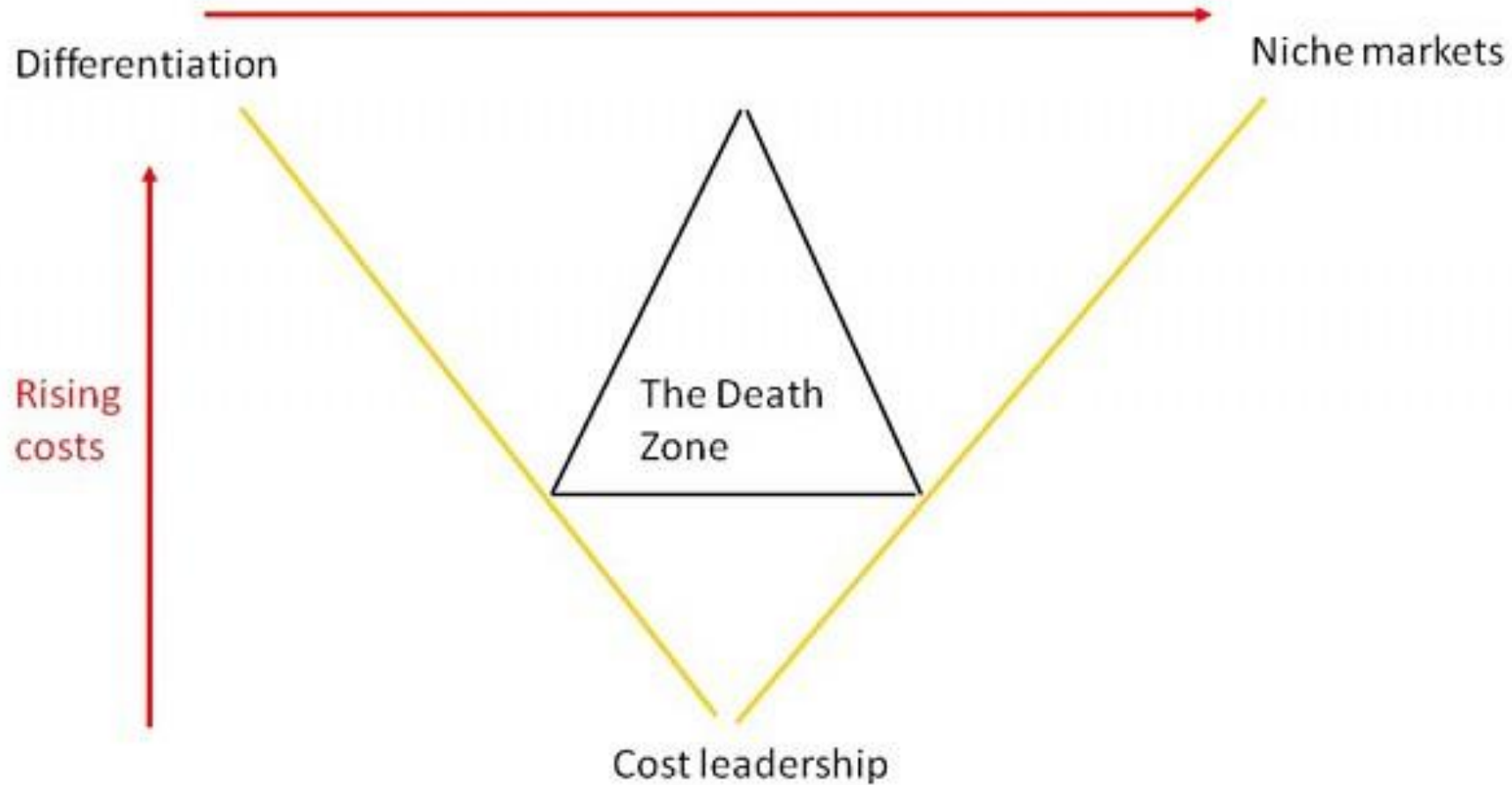
Growing the business – a commercial approach



Ansoff's Matrix



Porter's Generic Strategies



Kano analysis and customer focus: aiming for compelling

